

Employee Moonlighting Policy (India)

Governs outside employment and freelance work by employees — IP implications, disclosure, approval

HOW TO USE THIS TEMPLATE

1.	This policy applies to ALL employees regardless of seniority or employment type.
2.	Disclose ALL outside work and freelance activities to HR before commencing them.
3.	Approval is required — not just notification.
4.	Undisclosed moonlighting is a disciplinary offence and may result in termination.
5.	IP created in outside work that overlaps with the Company's business belongs to the Company.

1. PURPOSE AND SCOPE

1.1 This Employee Moonlighting Policy (this "**Policy**") establishes the Company's rules and expectations regarding employees engaging in outside employment, freelance work, consulting, advisory activities, business ventures, or any other income-generating or professional activity outside the scope of their employment with the Company.

1.2 This Policy applies to all employees of the Company including full-time employees, part-time employees, employees on probation, and employees on any form of leave. It does not apply to independent contractors engaged by the Company, though contractors should be aware that similar principles may apply under their contract terms.

1.3 Why This Policy Exists. The Company recognises that employees have legitimate interests in personal and professional development outside their primary employment. At the same time, the Company has legitimate interests in protecting its confidential information, intellectual property, and business relationships, and in ensuring employees can fulfil their primary employment obligations. This Policy balances these interests fairly.

2. DEFINITIONS

"Outside Activity"	Any employment, freelance work, consulting, advisory role, directorship, partnership, or other paid or unpaid professional activity outside the scope of employment with the Company, whether part-time, occasional, or regular.
"Competing Activity"	Any Outside Activity with a direct or indirect competitor of the Company, or that uses the Company's Confidential Information, technology, customer relationships, or goodwill.
"Conflict of Interest"	Any situation where the Employee's personal interests, outside activities, or relationships could compromise — or appear to compromise — the Employee's ability to act in the Company's best interests.
"Confidential Information"	As defined in the Employee's employment agreement — all non-public information relating to the Company's business, technology, customers, and operations.

3. PERMITTED AND PROHIBITED OUTSIDE ACTIVITIES

3.1 Generally Permitted (with prior disclosure):

- Teaching, lecturing, or conducting workshops at educational institutions on topics unrelated to the Company's core business, provided such activities do not use the Company's Confidential Information.

- Writing and publishing books, articles, or blogs on subjects outside the Company's business domain.
- Personal investment activities including passive shareholding in publicly listed companies.
- Voluntary, unpaid work for non-profit organisations or charities.
- Part-time or freelance work in a field entirely unrelated to the Company's business and that does not affect the employee's availability or performance.

3.2 Prohibited Without Prior Written Approval:

- Any work for a competitor or potential competitor of the Company, whether paid or unpaid.
- Any freelance or consulting work in the same domain as the Company's business.
- Starting or participating in any startup or business that could compete with the Company.
- Using the Company's customer lists, partner relationships, or business contacts for personal commercial benefit.
- Working on any project that uses or could incorporate the Company's Confidential Information or technology.
- Accepting a directorship or significant equity stake in any company that competes with the Company.
- Any Outside Activity that is likely to interfere with the employee's ability to meet the obligations of their primary employment.

4. DISCLOSURE AND APPROVAL PROCEDURE

4.1 Disclosure Requirement. Before commencing any Outside Activity, the employee must submit a written disclosure to their direct manager and HR using the Outside Activity Disclosure Form (Form HR-OA-01). The disclosure must include: the nature of the outside activity; the name of the other employer or client; estimated time commitment per week; any potential overlap with the Company's business; and confirmation that no Confidential Information will be used.

4.2 Review Timeline. The Company will review and respond to the disclosure within ten (10) working days. The employee must not commence the outside activity before receiving written approval. Silence does not constitute approval.

4.3 Approval Criteria. The Company shall consider: whether the activity competes with or conflicts with the Company's business; whether it poses a risk to Confidential Information; whether it will affect the employee's performance; and whether it creates a reputational risk for the Company.

4.4 Ongoing Disclosure Obligation. Employees with approved Outside Activities must re-disclose annually or whenever the nature of the activity changes materially. Approval given for one activity does not cover changes in scope, client, or domain.

5. INTELLECTUAL PROPERTY IMPLICATIONS

5.1 Work Created in Outside Activities. Any work, invention, software, design, or other intellectual property created by an employee in the course of an Outside Activity that: (a) is related to the Company's current or anticipated business; (b) was created using the Company's Confidential Information, technology, or resources; or (c) was developed during the employee's working hours for the Company — shall be owned by the Company in accordance with the employee's employment agreement and applicable IP assignment provisions.

5.2 Safeguards Required. Even for approved Outside Activities, the employee must maintain strict separation between outside work and Company work: use only personal devices and personal accounts for outside work; not store any outside work on Company systems; and not perform outside work during Company working hours.

5.3 Disclosure of Potentially Conflicting IP. If, in the course of an Outside Activity, the employee creates any work that could be related to the Company's business, the employee must immediately disclose this to the IP Manager using the Employee Invention Disclosure Form for review.

6. CONSEQUENCES OF NON-COMPLIANCE

6.1 Violation of this Policy, including commencing an Outside Activity without prior disclosure and approval, engaging in a Competing Activity, or using Confidential Information in an Outside Activity, constitutes a disciplinary offence and may result in: (a) formal written warning; (b) suspension pending investigation; (c) termination of employment for cause; and (d) civil legal action for damages, account of profits, and injunctive relief in the event of breach of IP or confidentiality obligations.

6.2 The Company reserves the right to claim ownership of any IP created in an undisclosed Competing Activity or any Outside Activity that used the Company's Confidential Information, in accordance with the employee's employment agreement.

7. EXISTING OUTSIDE ACTIVITIES

7.1 Employees who are currently engaged in any Outside Activity at the date this Policy takes effect must disclose such activities to HR within [30] days. Existing activities will be reviewed on the same criteria as new applications. Activities that are found to conflict with this Policy must be discontinued within a reasonable transition period as agreed with HR.

8. POLICY ADMINISTRATION

Policy Owner	[HR Manager / HR Head / Chief People Officer]
Policy Effective Date	[DD Month YYYY]
Review Cycle	Annual — or earlier if regulatory or business changes require
Governing Legal Framework	Indian Contract Act 1872, applicable provisions of the Employment Agreement, and Company IP policy
Exceptions and Appeals	Employees may appeal a rejection of their Outside Activity disclosure to the [CEO / CHRO] within [14] days of written rejection

EMPLOYEE ACKNOWLEDGEMENT

I acknowledge that I have read, understood, and agree to comply with this Employee Moonlighting Policy. I understand that undisclosed outside activities that conflict with my employment obligations may result in disciplinary action and legal consequences.

EMPLOYEE	HR REPRESENTATIVE
[Employee Full Name]	[HR Name and Designation]
Signature: _____	Signature: _____
Employee ID: _____	Date: _____
Date: _____	

IMPORTANT NOTE

Post-COVID, several Indian companies have updated their moonlighting policies following high-profile cases. Ensure this Policy is included in your employment contracts, employee handbooks, and onboarding documentation. Template only — not legal advice. Consult an employment law advocate for jurisdiction-specific advice.

LEGAL BACKGROUND AND ENFORCEMENT

9.1 Legal Framework. The regulation of moonlighting in India is governed primarily by: (a) the terms of the individual employment agreement, which typically requires full-time commitment and prohibits conflicting activities; (b) applicable state-level shops and establishments legislation, which may have specific provisions on dual employment; (c) the Industrial Employment (Standing Orders) Act 1946, which applies to certain categories of establishments and may address outside employment; and (d) the general law of contract including the employee's duty of fidelity and good faith. In Maharashtra, the Factories Act 1948 specifically prohibits dual employment in factories. Employees and the Company should note that the legal framework varies by state and sector.

9.2 Consequences of Undisclosed Competing Activity on IP. If an employee engages in undisclosed competing activity and creates intellectual property in the course of that activity that is related to the Company's business, the Company may have a legitimate claim to ownership of that IP under: (a) the IP assignment provisions of the employment agreement; (b) the doctrine of breach of fiduciary duty; and (c) the law of unjust enrichment. The Company may also seek damages for any competitive advantage gained by the employee from the use of Company Confidential Information in the outside activity. Employees should be aware that undisclosed moonlighting carries substantial legal risk.

9.3 Remote Work and Monitoring. The Company may use technical monitoring tools to identify any activities on Company devices or accounts that suggest undisclosed outside employment. Such monitoring will be conducted in compliance with applicable privacy laws and the Company's data protection policy. Employees are reminded that Company devices and accounts are for Company use only and that personal use policies do not extend to conducting other employment or business activities on Company systems during working hours.

9.4 Policy Updates. This Policy will be reviewed annually. The Company reserves the right to update this Policy in response to changes in business circumstances, applicable law, or industry practice. Employees will be given advance notice of material changes. Continued employment following notification of a Policy change constitutes acceptance of the updated Policy.